## **INTERIOR APPROPRIATIONS/Oil Royalty Increase, Cloture (Reconsideration)**

SUBJECT: Department of the Interior and Related Agencies Appropriations Bill for fiscal year 2000 . . . H.R. 2466. Lott motion to close debate on the Hutchison amendment No. 1603.

## **ACTION: CLOTURE MOTION AGREED TO, 60-39**

**SYNOPSIS:** As amended by a committee substitute amendment, H.R. 2466, the Department of the Interior and Related Agencies Appropriations Bill for fiscal year 2000, will provide \$14.058 billion in new budget authority, which is \$239.9 million less than provided last year and \$1.208 billion less than requested.

The Hutchison amendment would prohibit using funds from this Act to issue a notice of final rulemaking with respect to the valuation of crude oil for royalty purposes. (Oil companies that lease Federal lands for oil production pay royalties on the oil they produce. The royalties, by law, are based on the market value of the oil at the wellhead when it is ready to be sold. In general, the more difficult it is to get oil from a particular wellhead to a refinery, the lower the value that oil will have at the wellhead, because there will be higher transportation, marketing, and other costs to get it to a refinery. The regulatory formula for determining royalty payments that are due is extremely complex. Both oil companies and the Minerals Management Service (MMS) have agreed that the regulations should be simplified. The MMS proposed changes to the regulations 3 years ago. The proposed changes would increase the amount due in royalties by disallowing deductions for marketing and by changing the formula for determining transportation costs. In effect, the MMS proposed collecting royalty taxes on oil based not on its wellhead value but on a value closer to the value it has when it reaches a refinery. In other words, the MMS proposed increasing royalty taxes. One-year moratoriums have been enacted for each of the last 3 years to prevent the new regulations from going into effect.)

On September 13, the Senate failed to invoke cloture on the Hutchison amendment (see vote No. 271). Senator Lott then moved to reconsider that vote. On September 23, Senator Lott moved to proceed to the motion to reconsider the vote on the motion to invoke cloture on the Hutchison amendment (see vote No. 287). After agreeing to proceed to the motion to reconsider, the Senate voted on the motion to reconsider (see vote No. 288).

(See other side)

<b>YEAS</b> (60)		NAYS (39)	NOT VOTING (1)	
Democrats	Republicans	Democrats	Republicans Democrats	
(5 or 11%)	(0 or 0%)	(39 or 89%)	(0) (1)	
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VOTE NO. 289 SEPTEMBER 23, 1999

NOTE: When the Senate voted to invoke cloture on the Hutchison amendment, four Senators who supported cloture were absent. Had they been present, cloture would have been invoked. The Majority Leader voted "nay" because only Senators on the prevailing side of a question may move to reconsider a vote. Rollcall votes were held on the motion to proceed to the motion to reconsider and on the motion to reconsider, both of which ordinarily would have been pro forma motions that were agreed to by voice vote, due to the insistence of Senators who wished to delay the reconsideration of the cloture vote.

For debate, see vote No. 290.